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SUBJECT: UK DEVELOPMENT MINISTER SEEKS SUPPORT FOR PM'S
"CALL TO ACTION" INITIATIVE ON MILLENNIUM DEVELOPMENT
GOALS

REF: LONDON 3903

11. (SBU) Summary. Shriti Vadera, U.K. Parliamentary Under
Secretary at the Department for International Development

SIPDIS
(DFID) met with IO Bureau Assistant Secretary Kristen
Silverberg on October 22. Vadera said she wants to put more
emphasis on private flows and less on government social
spending for development, and wants to take the lead from the
U.S. approach -- a departure from prior DFID practice. As
the standard-bearer for Prime Minister Gordon Brown's "Call
to Action" Declaration (reftel), and a close economic
confidant of the PM, Vadera is seeking common benchmarks that
signatories can use to show they are implementing the
Millennium Development Goals without duplicating UN or World
Bank monitoring. She emphasized that when companies assist
with development in their areas of expertise, there is great
potential to spur growth. By focusing on these private flows
in a meeting that precedes the upcoming conference to
follow-up on the Monterrey Consensus in Doha in 2008, the
U.K. hopes we can set a more constructive tone than the G77
likely attempt to focus on increasing official development
assistance (ODA). She agreed to work on finding a good time
to schedule this meeting, since there are so many scheduling
conflicts in the run-up to the conference. Vadera also
sought support for PM Brown's International Health
Partnership initiative.

End Summary.

Shifting the Development Balance to Private Sector Growth

12. (U) Minister Vadera said the U.K. is trying to realign its
development policy on achieving growth to put greater
emphasis on development and less on social spending,
something that the U.S. does well and that she advocates.
She said even if the U.S. is criticized for focusing on
private flows, supposedly to shift the focus away from ODA,
it should be instead be commended for being on track to meet
the commitments it made in 2005 at the G8 summit in
Gleneagles, Scotland.

Achieving the Millennium Development Goals

13. (U) Vadera said PM Brown's "Call to Action" initiative in

July at UNGA should demonstrate how signatories are achieving the MDGs and keeping their promises, while looking at performance indicators such as whether the investment climate has improved, and the number of days it takes to do business. She averred that World Bank economic growth analyses lack statistical rigor. While she does not want to duplicate efforts already underway at the UN or World Bank, the U.S. and U.K. should be able to pursue a common agenda and get buy-in from other signatories.

¶4. (U) The U.K. Declaration on the MDGs for the private sector should be a way for companies to use their strengths to increase development, Vadera said. For example, U.K. cell phone giant Vodafone recently set up a system to coordinate resource transfers such as workers' remittances by telephone.

HMG is also talking with the Coca-Cola company about improving distribution networks for water. And Bechtel is working with the African Development Bank to share best practices on assessing the feasibility of development projects. These plans are better for development than just a voluntary agreement to abide by principles of corporate social responsibility, and should be highlighted in relevant high-level meetings, suggested Vadera.

Timing for high-level meeting on MDGs

¶5. (U) Minister Vadera admitted the U.K. was having some difficulty scheduling a date for the summit on the MDGs because high-level meetings of UNGA in 2008 are likely to conflict with the annual U.K. Labor Party Conference and UN SYG Ban won't commit to a date yet. Vadera said she wanted to make sure a meeting took place before the conference to follow-up on the Monterrey Conference on Financing for Development (FfD) in Doha scheduled for in the last quarter of 2008. Vadera said that the meeting would probably be a two-day event with the first day being reserved for private sector groups, and the second day for heads of state. The outcome of the first meeting would be an important factor in steering the second.

Financing for Development

¶6. (SBU) Vadera said she did not want the "Call to Action" initiative to shift the focus away from the FfD agenda, and that she planned to give a statement in New York on October 23 to reinforce that idea. However, she added that she hoped that by shifting the focus within MDG implementation towards private sector flows to achieve growth, and away from social sector spending, we would set the right tone for the FfD review and reduce any impact of the G77's intent to focus on increasing aid flows.

Entrepreneurship

¶7. (U) On a separate matter, Vadera expressed support for the UN Initiative for Innovation and Entrepreneurship (UNIIE) fund, that the Department has been designing with the UN Development Program (UNDP) and the Kauffman Foundation of Kansas City ("the foundation of entrepreneurship"). Vadera expressed concern that during the meetings of the High Level Panel on UN System-Wide Coherence last year, developing-country representatives hesitated to support such a fund because they thought it would take away from ODA. The U.K. was also hesitant to support UNIIE because the UN does not have a great capacity for entrepreneurship promotion, although now that Christian Thommessen (former CEO of IBM Norway) has been hired in UNDP to lead the initiative there is greater potential. Vadera was scheduled to meet with Thommessen in New York on October 23. Vadera also indicated that she would like to meet with Kauffman Foundation CEO Dr. Carl Schramm when he visits London on November 13 to launch Global Entrepreneurship Week with Prime Minister Brown.

Improving Health Care Systems

¶8. (U) The U.K., said Vadera, supports improving education and health programs as a priority because without human capital, you can't attract financial capital. The goal of the "International Health Partnership" initiative, she asserted, is better coordination and sustainability. First, donors must coordinate with the recipient country's health development plan. Second, donors must agree to coordinate as long as it adds value -- multiple programs should add up to be greater than the sum of their parts, not less. And finally, while aid is being distributed, donors should take advantage of the moment to start developing a permanent health system that is sustainable. Vadera said that while she understands that the U.S. and U.K. diverge on the concept of state-provided health services, in fact she thinks we agree that states that receive social spending must be responsible. On the issue of foreign healthcare workers, Vadera said HMG has signed a code of conduct to not recruit healthcare workers from abroad because they are so scarce in developing countries, where they are needed most. (For example, there are more Malawian doctors in Manchester, England than in Malawi.)

Comment: "Proceed with Caution"

¶9. (SBU) Vadera's message was at variance with the position we are used to hearing from the U.K. Mission in New York and from our DFID contacts in London. It is possible that because Vadera is a political appointee, she holds the potential to put greater emphasis on highlighting the sustainable benefits of private sector flows to achieve economic growth and reduce poverty. However, she also has a reputation for tailoring her message to fit her audience and saying what her interlocutors wish to hear. Vadera successfully dodged discussion of the Secretariat's revised Millennium Development Goal "performance indicators," possibly because on September 18, DFID jointly issued a press release with the UN Population Fund that said the new performance indicator on reproductive health had been "endorsed by the General Assembly." In fact, the GA only "took note" of the report that contained the new indicator on October 8, while the U.S. statement pointed out that member states never agreed to the performance indicators and that we did not wish to be judged by them.
([http://www.ususnnewyork.usmission.gov/press releases /20071008 232.html](http://www.ususnnewyork.usmission.gov/press%20releases/20071008%20232.html)) Future meetings with Vadera should reveal if her focus on private sector flows gains traction in DFID.

¶10. (SBU) Coincidentally, IO/EDA's office director met with UNDP private-sector chief Thommessen in New York on October 24. Thommessen said that in Vadera's call on him on October 23, she had asked about our planned UNIIE initiative, and expressed a strong desire for the U.K. to take part, a positive development.
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